

LACK OF AFFORDABLE HOUSING IS THE PRIMARY CAUSE OF HOMELESSNESS; HOUSING IS THE SOLUTION

There is little difference between homeless families and other poor families that makes the former more susceptible to homelessness. Lack of savings for a financial crisis, rising food and gas costs, inability to ask friends or family for help and simple bad luck can determine who is homeless and who is not.

Many adults who experience homelessness are working but can not afford housing.

- 59 percent of households assisted by Virginia's Homeless Intervention Program (HIP) and in need of homeless prevention assistance had a head of household that worked either full or part time.¹
- On average, in Virginia, a worker must earn \$18.09 an hour or \$37,635 annually to afford a two-bedroom apartment.² In Virginia, a minimum wage worker earns an hourly wage of \$5.85 and must work 124 hours per week to afford a home.³

Affordable housing is simply unavailable. If affordable housing is unavailable, families may have to choose between paying for housing, receiving desperately needed health care and putting food on the table, putting them at risk of homelessness.

- In Virginia, there are 52 rental homes affordable and available for every 100 extremely low-income households.^{4,5}
- For many vulnerable families, high housing costs means cutting other spending to the bone. In 2006, severely housing cost-burdened households with children in the bottom expenditure quartile had only \$548 per month on average for all other needs. As a result, these families spent 32 percent less on food, 56 percent less on clothes, and 79 percent less on healthcare than families with lower housing cost burdens.⁶

If a lack of affordable housing is the cause of homelessness, then it is also the solution. And it is a less expensive solution.

- Studies have shown that families exiting homelessness with a housing subsidy remain stably housed over time; they are 21 times more likely to remain stably housed than comparable families exiting a shelter without a subsidy.⁷
- 90 percent of individuals who are homeless and with disabilities, including mental illness, enter and remain stably housed in permanent supportive housing provided by Virginia Supportive Housing across the Commonwealth of Virginia. Permanent supportive housing is affordable housing linked with services.
- *It is less expensive to address homelessness by providing permanent housing.*
 - ▶ Assistance paying rent through the federal Section 8 housing subsidy program averages approximately \$7,000 per year per household⁸, compared to \$7,200 - \$14,400 per year for *one* emergency shelter bed.⁹
 - ▶ According to Virginia Supportive Housing, it costs \$600 per month to provide an individual or household with permanent supportive housing. It can cost between \$600 to \$1200 per month to provide an emergency shelter bed.
 - ▶ A housing subsidy is less expensive than the cost of foster care. During the first three months of 2008, approximately 15% of all cases that led to placement of children in foster care in Virginia were based on the parent's inability to provide adequate housing. The annual expenditure per child for foster care in Virginia in 2007 was \$45,809.

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There are approximately 10,000 individuals - including families with children, unaccompanied youth, single adults with mental illness, and veterans - who experience homelessness on any given night in the Commonwealth of Virginia. It is estimated that three to four times that number experience homelessness in the Commonwealth throughout the year. We know that affordable housing—often linked with supportive services – is the solution

to homelessness. Let's build the political and community will to provide adequate affordable housing options and end homelessness in the Commonwealth of Virginia.

The Virginia Coalition to End Homelessness' "Solutions to Homelessness Series" highlights information and research on the causes of and solutions to homelessness. The series illustrates best practice strategies and provides tools to help communities in Virginia prevent and end homelessness.

ENDNOTES

- 1 Virginia Department of Housing and Community Development. *Virginia's Homeless Programs. 2006-2007 Program Year. A Report to the House Appropriations and Senate Finance Committees.*
- 2 National Low Income Housing Coalition (NLIHC). 2007. *Out of Reach.*
- 3 National Low Income Housing Coalition (NLIHC). 2007. *Out of Reach.*
- 4 National Low Income Housing Coalition.
- 5 Extremely Low Income (ELI) households earn no more than 30 percent of their state's median family income, adjusted for household size. Affordable means paying no more than 30 percent of household income for housing.
- 6 Joint Center for Housing Studies (JCHS). Harvard University 2008. *The State of the Nation's Housing.*
- 7 Shin, M., Weitzman, B.C., Stojanovic, D. Knickman, J.R., Jimenez, L., Duchon, L., James, S., and Krantz, D.H. 1998. "Predictors of homelessness among families in New York City: From shelter request to housing stability." *American Journal of Public Health*, 88 (11): 1561–1657.
- 8 Congressional Budget Office Cost Estimate. July 2006. *H.R. 5443: The Section 8 Voucher Reform Act of 2006, As ordered reported by the House Committee on Financial Services on June 14, 2006.*
- 9 Average cost of shelter in Richmond, Virginia.

ABOUT VCEH The Virginia Coalition to End Homelessness is a statewide organization dedicated to bringing people together to advocate, educate and develop resources to end homelessness in the Commonwealth of Virginia.